

Community Facilities (CF) Loan & Grant Program

- Direct Loan – USDA Rural Development makes the loan and services the loan
- Guaranteed Loan – Bank makes the loan, USDA Rural Development guarantees the loan up to 90%
- Grants – Can be grant only or offered in conjunction with loans

Community Facilities Loan (CF) & Grant Program, cont

- Program provides affordable funding to develop essential community facilities in eligible rural areas
- An essential community facility is defined as a facility that provides an essential service to the local community for the orderly development of the community
 - Public safety
 - Public service
 - Health care

Community Facilities (CF) Loan & Grant Program, cont

Eligible Applicants

- Public Bodies – County, City, Special Purpose District
- Not-for-Profit Organizations
- Federally recognized Indian Tribes
- Applicant must have the legal authority to authorize the project, operate and maintain the facility
- Applicant is unable to obtain financing through commercial credit at reasonable rates and terms

Community Facilities (CF) Loan & Grant Program, cont

Other Eligibility Requirements

- Facility must serve primarily rural residents, population of 20,000 or less based on 2010 US Census
- Project must have community support
- No commercial activities included in project

Community Facilities (CF) Loan & Grant Program, cont

Eligible Project Costs

- New Construction, Expansion or Rehabilitation of Existing Facility
- Equipment
- Project Related Professional Fees – Architectural, Engineering
- Legal Fees
- Refinance of Existing Debt (Loan Only) – if the debt being refinanced is less than 50% of the total loan request

Community Facilities (CF) Loan & Grant Program, cont

Direct Loan

- There is no maximum dollar amount
 - Amount of loan determined by the amount needed to meet the applicant's needs, repayment ability, and funds available
- Loan term – Maximum 40 years or life of security, whichever is less
- Type of security - Land, building, equipment, revenue, taxes, etc.
- Fixed interest rate

Community Facilities (CF) Loan & Grant Program, cont

Guaranteed Loan

- Lender (financial institution) makes the loan
- There is no maximum dollar amount
- Amount of loan determined by the amount needed to meet the applicant's needs, repayment ability, and funds available
- Interest rate and loan terms set by lender
- USDA Rural Development guarantees the loan
- Can be used with Direct Loan Program

Community Facilities (CF) Loan & Grant Program, Cont

Grants

- Grant assistance based on the median household income and population to be served by the facility
- Grant funding may be used to supplement a loan or other funding sources
- Grant only projects are allowed
- Provided to projects based on financial need
- Grants for 15%, 35%, 55%, or 75% of the project cost based on income and population
- Grant assistance may be further limited due to the availability of funds

Water and Environmental Programs (WEP)

- Improve rural water, sanitary sewage, solid waste disposal, and storm wastewater disposal facilities
 - Assist rural communities with a population of 10,000 or less
- Type of Assistance
 - Direct Loans
 - Guaranteed Loans
 - Grants
- Eligible Applicants
 - Public Bodies
 - Not-for-Profits
 - Federally Recognized Indian Tribes